



**Half year results**  
For the six months  
ended 31 August 2023

**2<sup>nd</sup> November 2023**

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# Agenda



## 1. Introduction

Jody Ford, CEO

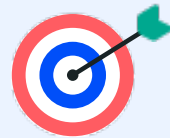
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## 2. Financial performance

Pete Wood, CFO

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## 3. Progress against strategic priorities

Jody Ford, CEO

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## 4. Q&A

# Strong progress in H1 FY2024



Strong performance: net ticket sales up 23% and revenue up 19%



Higher profit and cash generation: adj. EBITDA up 26% and operating FCF up 166%



Digitising commute in UK: share of commuter market segment now 22%

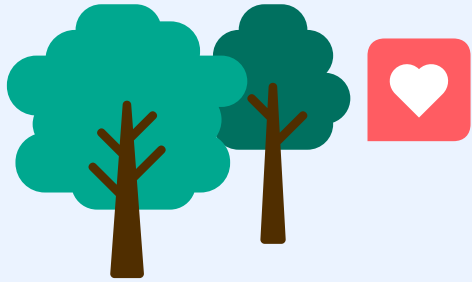


Strong growth in liberalised European markets: Spain & Italy net ticket sales up 50%

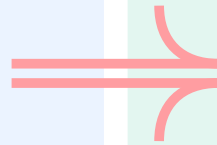


Europe's #1 most downloaded rail travel app

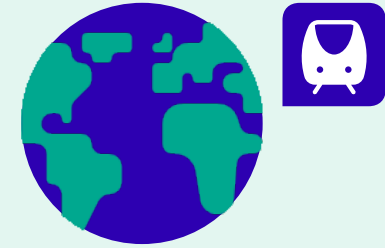
## Our purpose



**Empowering greener  
travel choices**



## Our vision

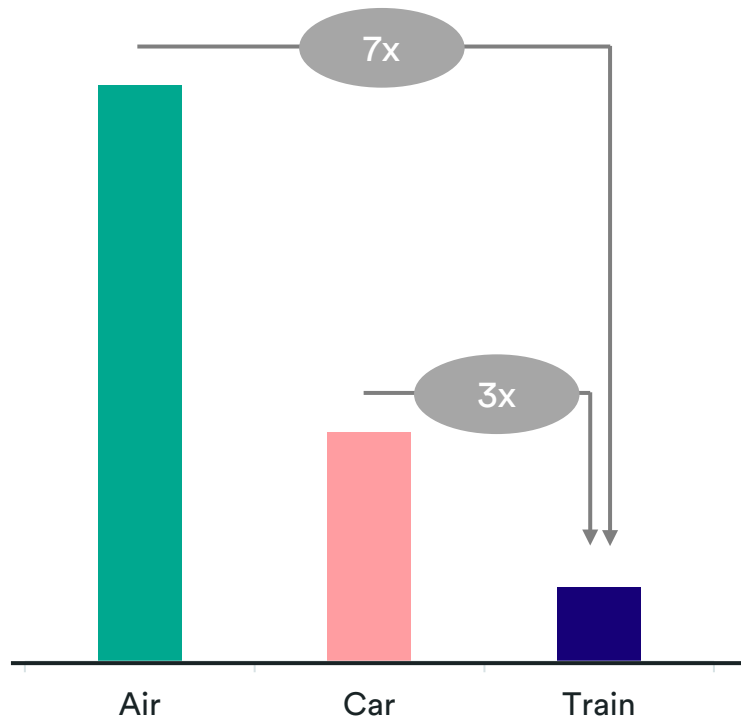


**Building the world's  
number 1 rail platform**

# Empowering greener travel choices in H1

## Clear environmental benefits in choosing rail travel

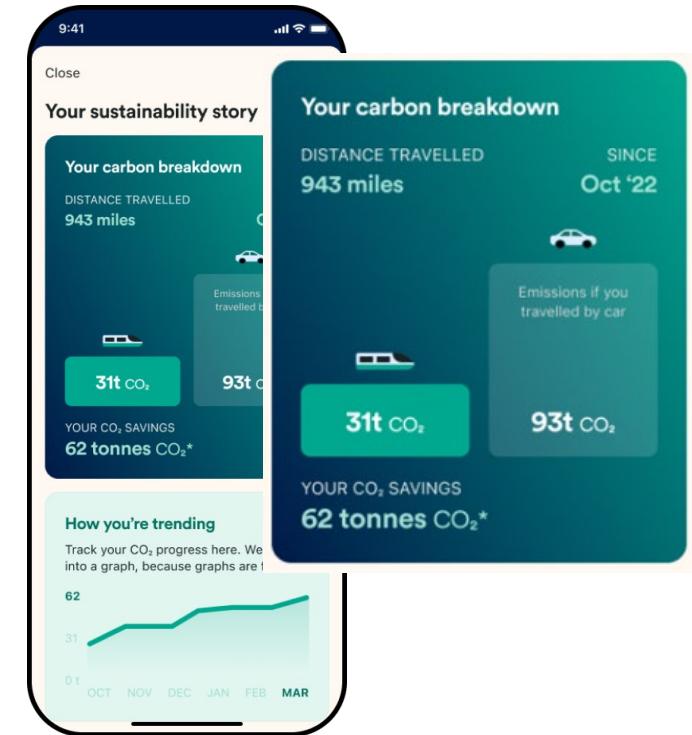
CO2 emissions per passenger, per km<sup>1</sup>



## New 'I Came By Train' campaign



## Launched 'Your Sustainability Story'



<sup>1</sup>Emissions per passenger/KM as per <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

# Long term structural tailwinds for growth

c€60bn UK and European rail market



Migration to online and digital ticketing



Growing supply fragmentation



...And underpinned by a level playing field for rail retailing



# Agenda



1. Introduction  
Jody Ford, CEO

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2. Financial performance  
Pete Wood, CFO

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3. Progress against strategic priorities  
Jody Ford, CEO

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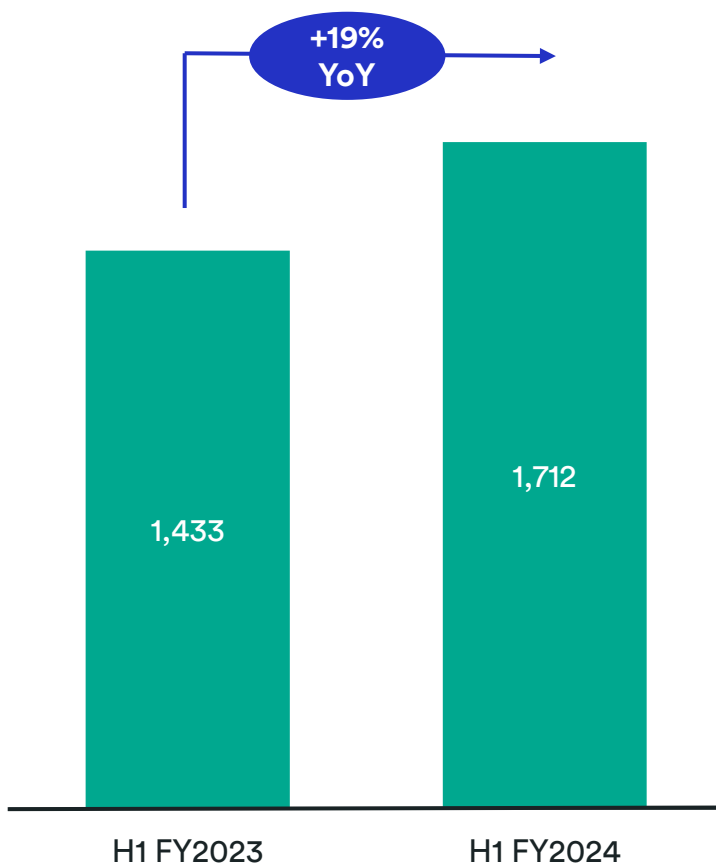


4. Q&A



# UK Consumer growth led by commute and short distance travel

## Net ticket sales (£m)

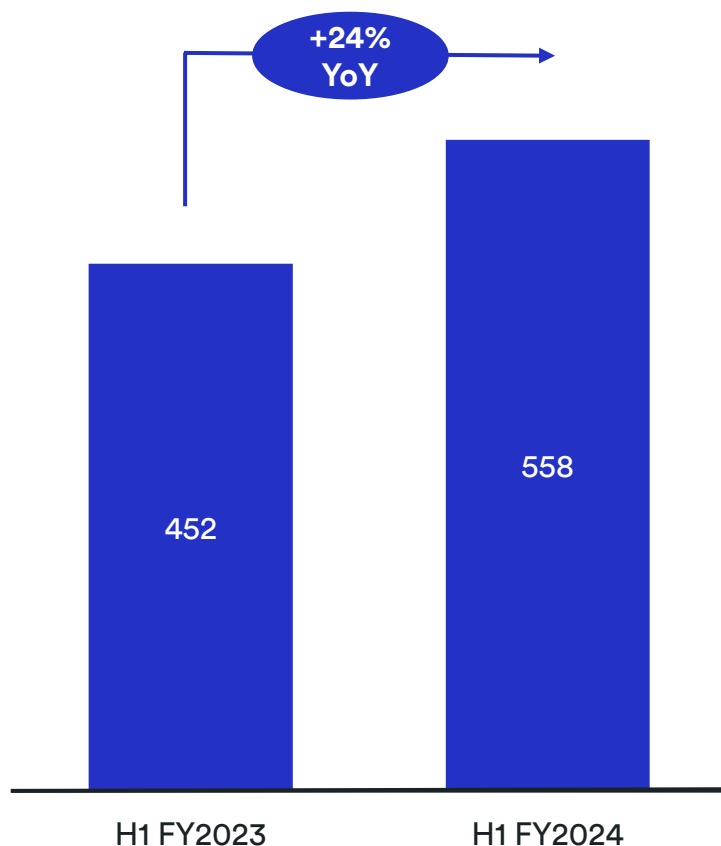


- Strong growth in H1 despite impact of rail strikes:
  - Increasing ticket sales for commute and short distance travel, while long distance travel sales remain strong
  - Further industry passenger recovery, albeit now normalising
  - Continued eticket penetration growth
- Strong growth should continue in H2, despite headwinds from strikes and expansion of TFL contactless payment zone



# International Consumer growth led by our aggregated markets

## Net ticket sales (£m)



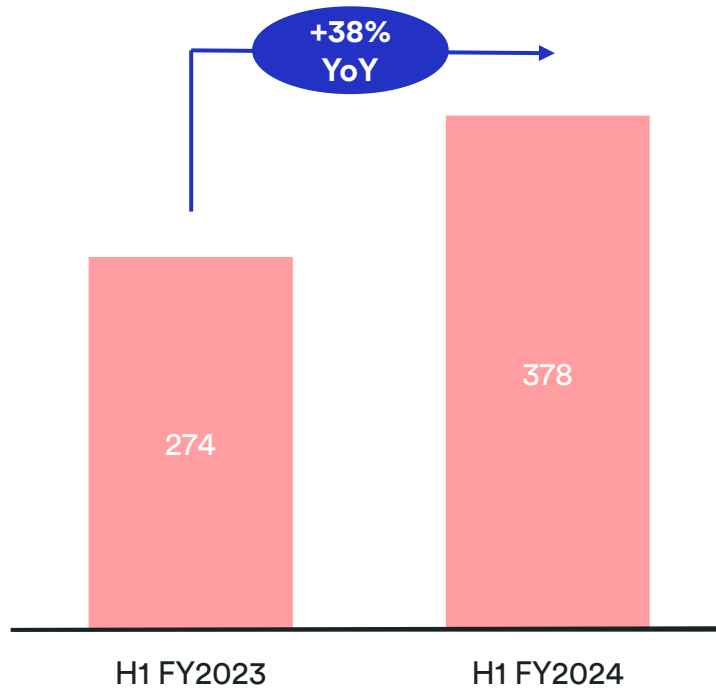
- Strongest performance in aggregated markets – Spain and Italy +50%
- France brand spend paused ahead of further liberalisation
- Web sales growth slowed during H1
- Strong App growth; App share of transactions increased to >60%
- International Consumer Adj. EBITDA contribution approaching breakeven on pre-internal transaction fee basis<sup>1</sup>

<sup>1</sup>Internal transaction fee payable by UK Consumer and International Consumer to Trainline Solutions



# Trainline Solutions continues to recover

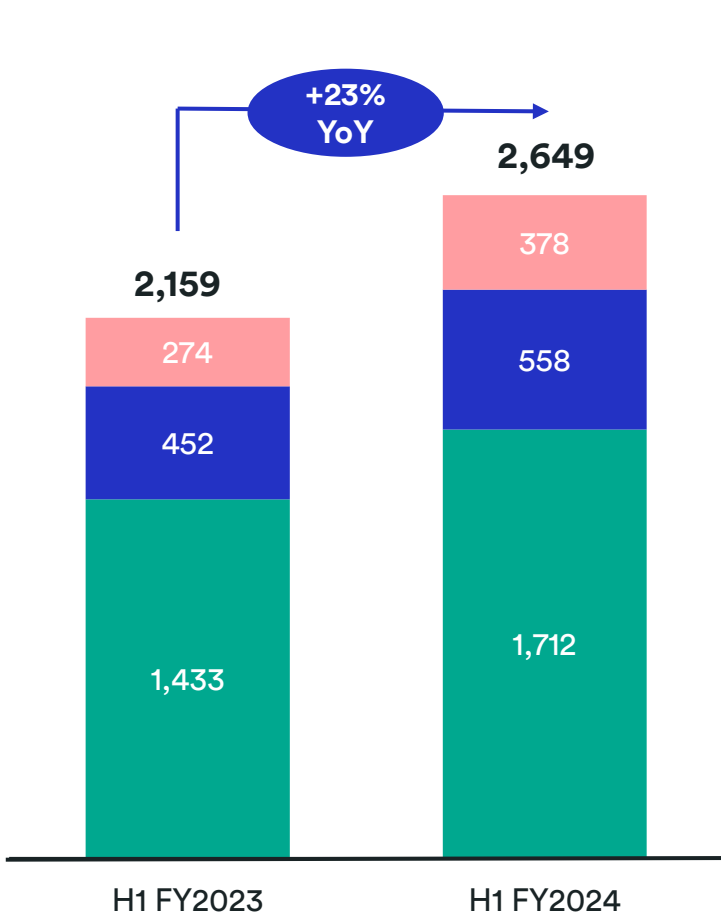
## Net ticket sales (£m)



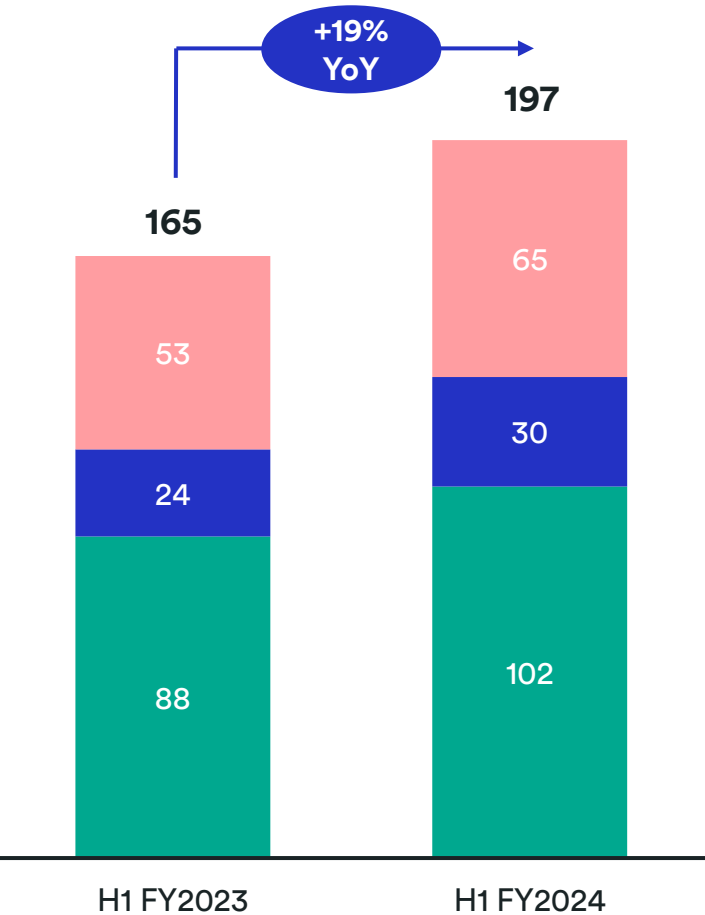
- Provides B2B retailing capabilities & encompasses Platform One
- Strong performance from IT Carrier Solutions
- Business travel in UK continuing to recover from lower base

# Strong growth in sales and revenue

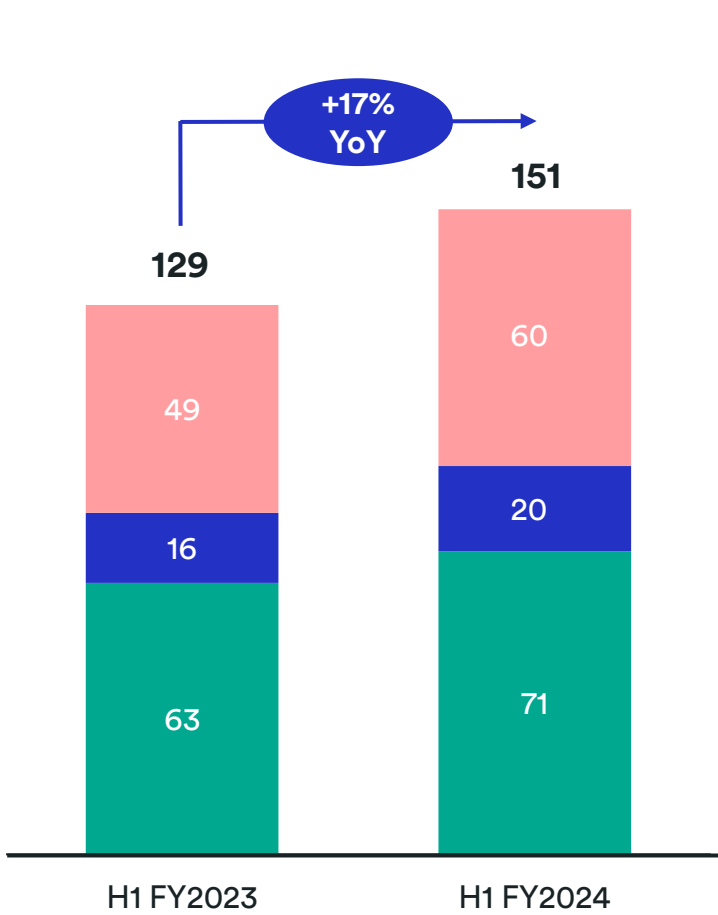
Net ticket sales (£m)



Revenue (£m)



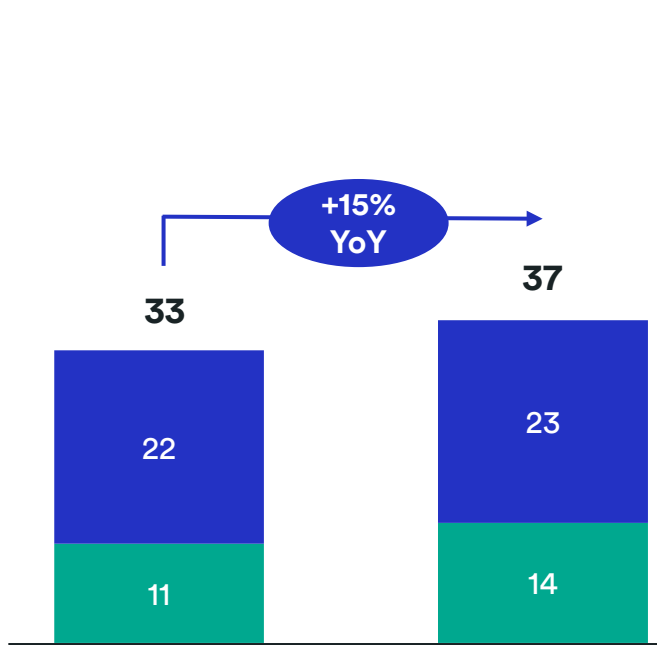
Gross profit (£m)



■ UK Consumer ■ Int'l Consumer ■ Trainline Solutions

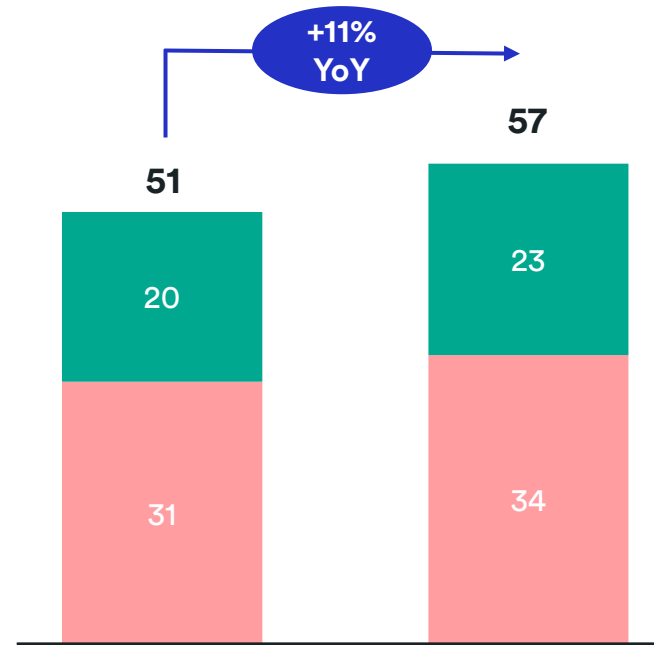
# Volume growth and operating leverage increasing adjusted EBITDA

## Marketing costs (£m)



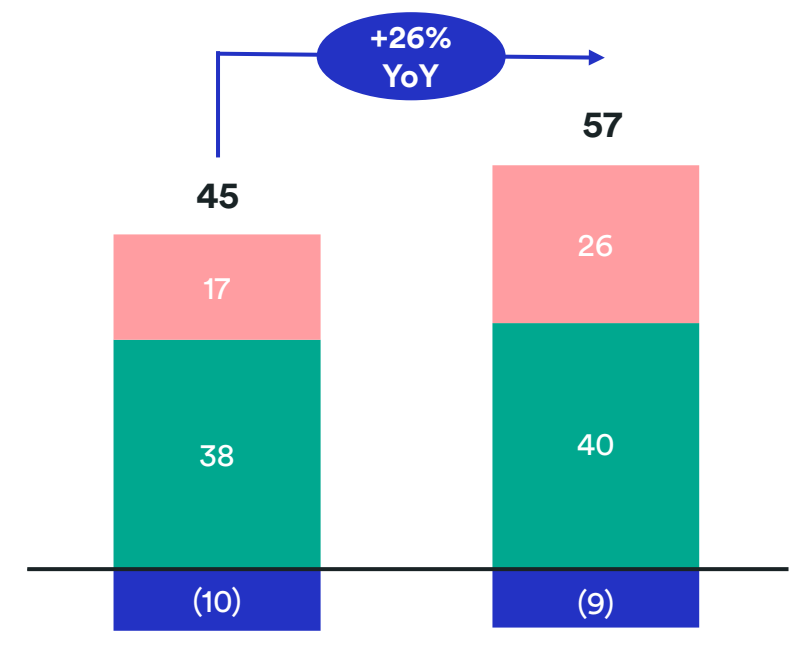
■ UK Consumer ■ Int'l Consumer

## Other admin costs (£m)



■ People ■ Other

## Adjusted EBITDA (£m)

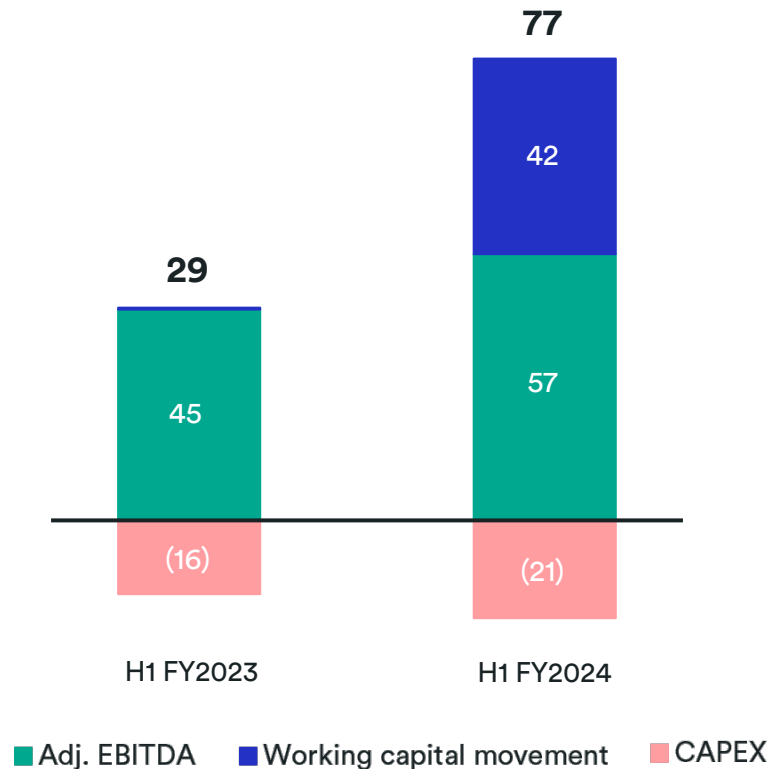


■ UK Consumer ■ Int'l Consumer ■ Trainline Solutions

# Strong cash flow generation and leverage reduction

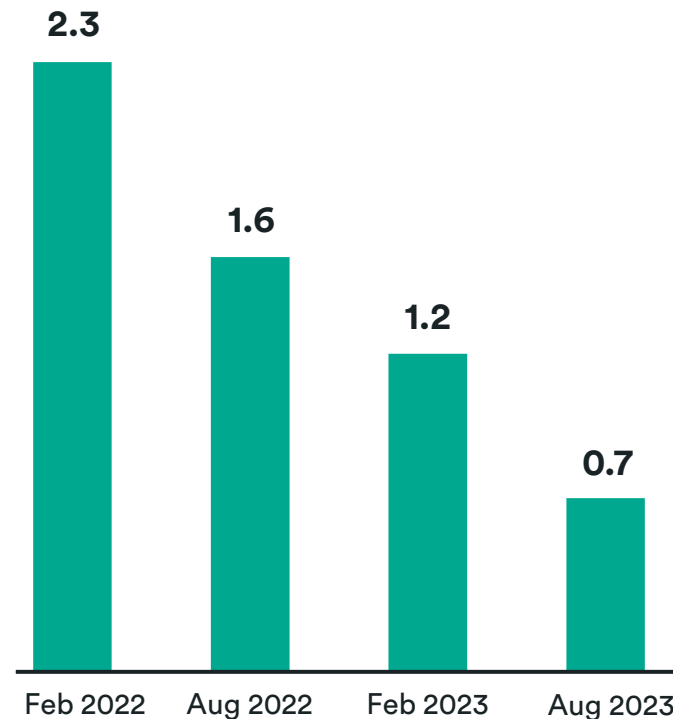
## Strong cash generation

Operating free cashflow (£m)



## Leverage ratio reducing

Net debt / LTM adj. EBITDA



## New capital allocation framework

- Invest in growth strategy to drive organic growth, focusing on attractive and sustainable returns
- May supplement organic growth with inorganic investment
- Manage debt leverage, retaining a prudent and appropriate level of liquidity headroom
- Surplus capital thereafter may be returned to shareholders; launched buyback programme of up to £50 million in September

## Tightened FY2024 Group guidance range

**Net ticket sales  
growth:**  
in the range of  
17% to 22%

**Revenue growth:**  
in the range of  
15% to 20%

**Adj. EBITDA as %  
of net ticket sales:**  
in the range of  
2.15% to 2.25%



# Agenda



1. Introduction  
Jody Ford, CEO

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2. Financial performance  
Pete Wood, CFO

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**3. Progress against strategic priorities**  
Jody Ford, CEO

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4. Q&A



UK Consumer

# Strategic priorities for growth – UK Consumer



**Enhance customer experience**

Unlocking value for customers; digitising commuter experience



**Build demand**

Marketing campaigns focused on value, commute and sustainability



**Increase customer lifetime value**

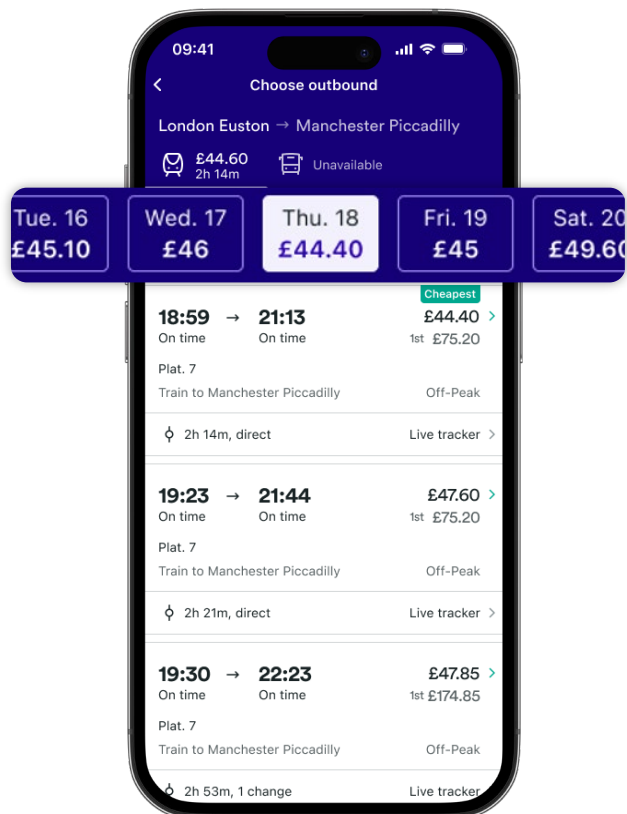
Growing transaction frequency and monetisation



**Grow Trainline Solutions**

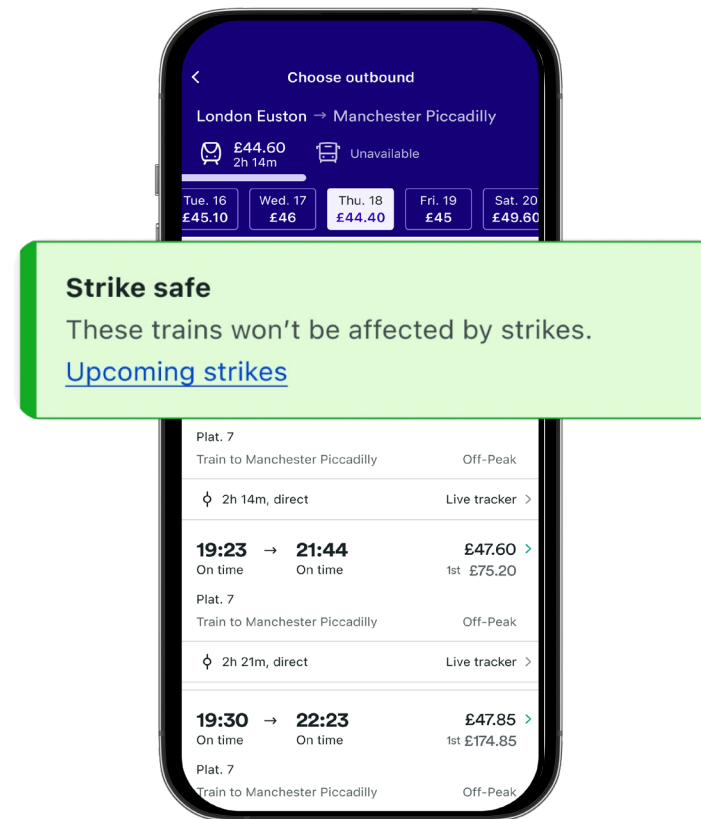
# Unlocking value and removing friction for customers

## Weekly price calendar



Displaying to customers the days that are cheapest to travel

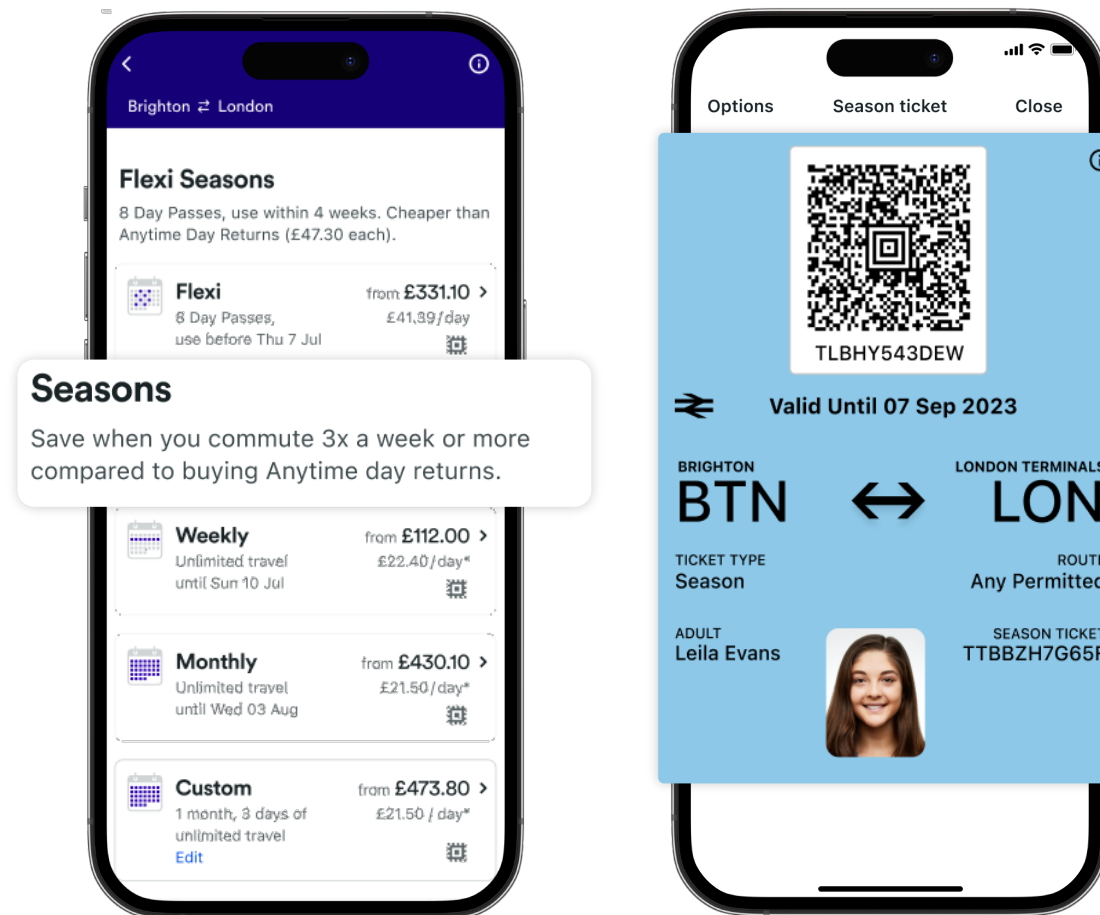
## Strike safe



Informing customers whether the journey they are searching is likely to be affected by strikes

# Priming our Mobile App to serve the commuter

- Developed full suite of ticket types for commuters
- Digital seasons enabled for c1/3 seasons market:
  - c20% share of season ticket sales where available
  - 2x higher retention level than overall UK Consumer customer base



Share of commuter segment in Q2 FY2024 increased to 22%



# 'Great journeys start with Trainline' brand campaign

Save 35% on a trip to your favorite forest.



Kick a massive pile of leaves. Great journeys start with  trainline

Average savings from Advance fares, Railcards & SplitSave when available vs. standard flexible fare. See Trainline T&Cs for further info.

Will a 35% saving on your train to the beach give you the courage to defend your chips from hungry gulls?





We can't let them win. Great journeys start with  trainline

Average savings made by UK customers from Advance fares, SplitSave and/or Railcard discounts, where available vs. equivalent flexible fare without a Railcard or SplitSave. Subject to availability and eligibility. See Trainline T&Cs for further info.



 

Skip the machine. Skip to work.



Buy a ticket on your phone instantly. Great journeys start with  trainline

Average savings from Advance fares, Railcards & SplitSave when available vs. equivalent flexible fare. See Trainline T&Cs for further info.

Dogs can't eat digital season tickets.

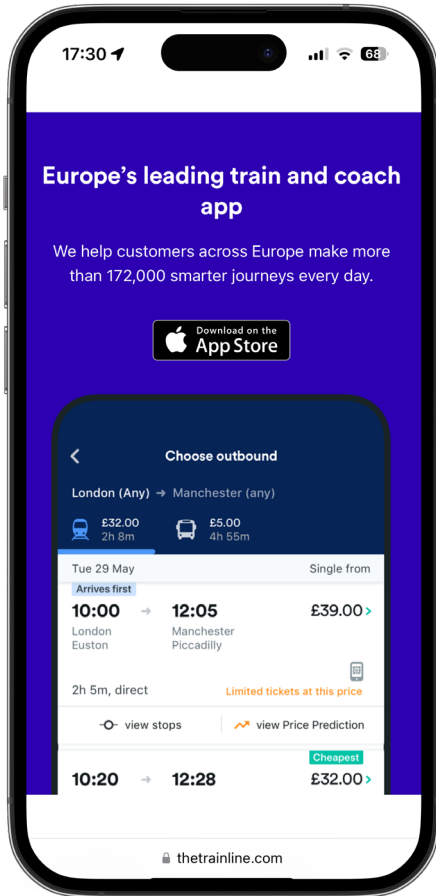


Never lose it again. Buy a digital season ticket. Great journeys start with  trainline

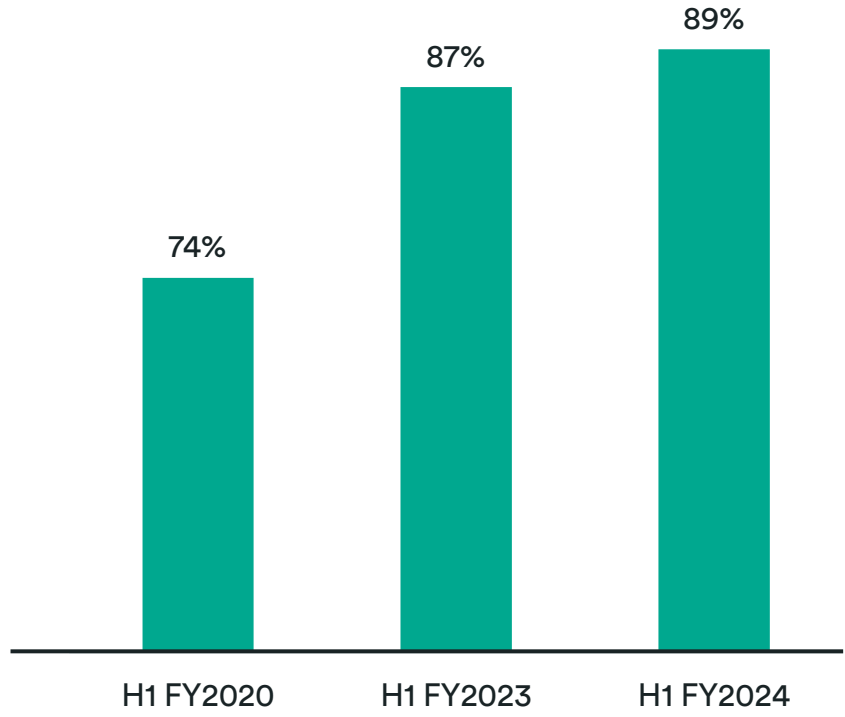
Average savings from Advance fares, Railcards & SplitSave when available vs. standard flexible fare. See Trainline T&Cs for further info.

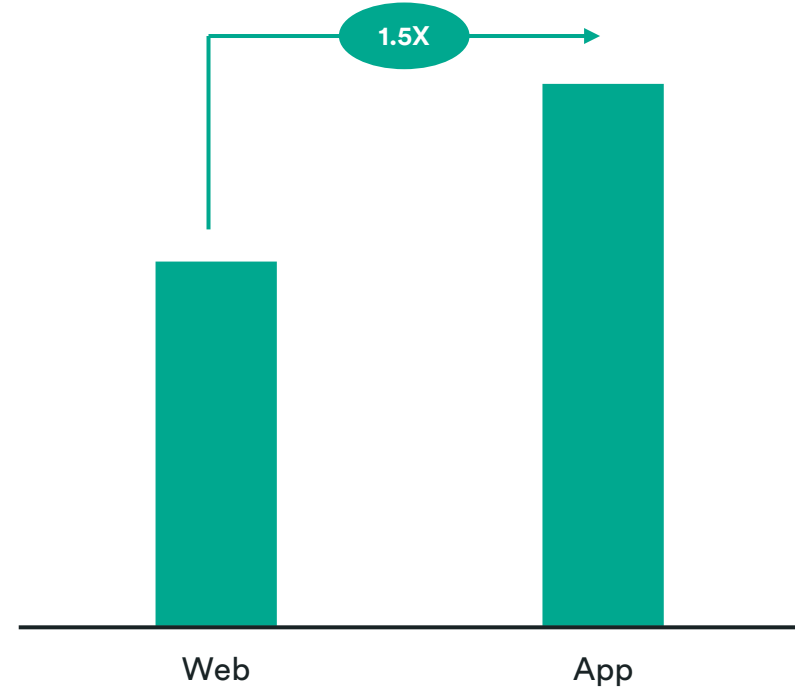
# Encouraging Mobile App adoption to deepen our customer relationships



### App as % of overall transactions



### Mobile app customers transact more frequently than Web

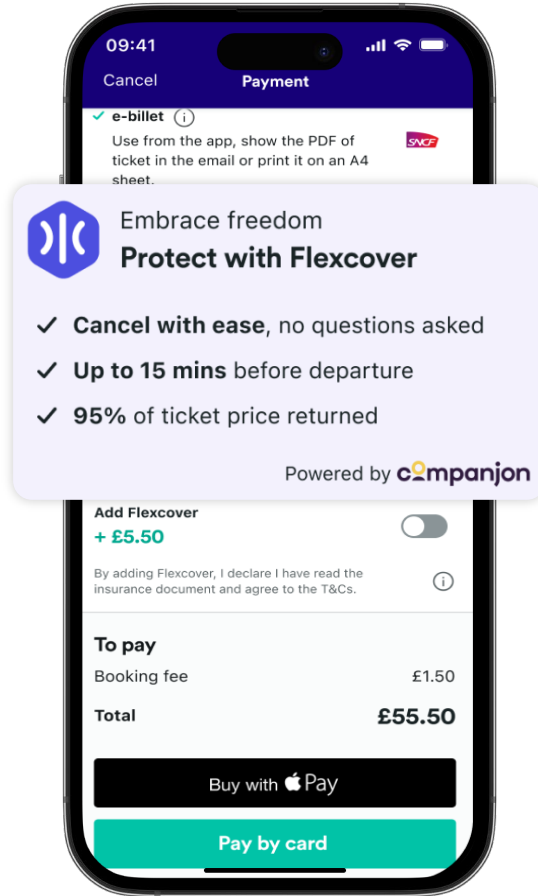


# Enhancing monetisation

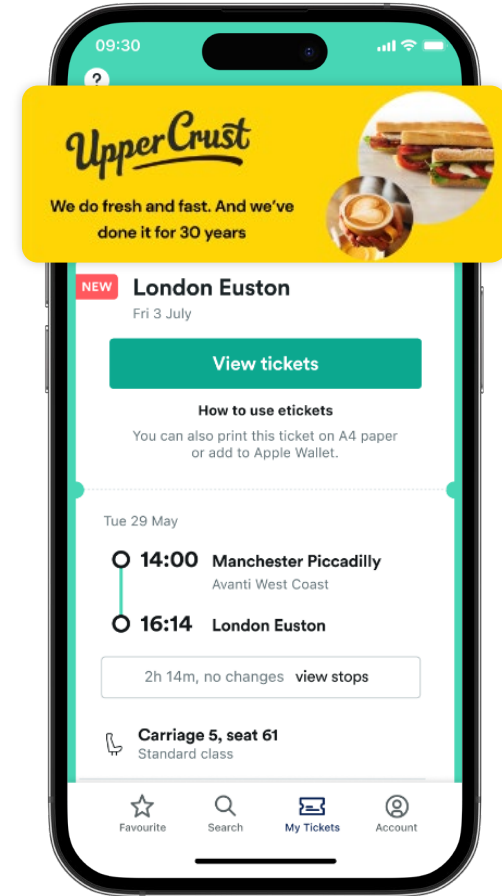
## New ancillary products



## Flexcover



## New ad placements





# International Consumer



# Prioritising markets where we have strongest customer proposition

## Strongest customer proposition

(c60% net ticket sales)<sup>1</sup>

### More mature liberalised domestic markets



Spain



Italy

### Foreign travel



Global Inbound



Cross border

## Future opportunity

(c40% net ticket sales)<sup>1</sup>

### Less mature liberalised domestic markets



France



Germany

<sup>1</sup>Split of International Consumer net ticket sales over last twelve months

# France opening to new entrants

- 2023:
  - Renfe launched new cross border routes
- 2024:
  - Three carriers to compete between Paris-Lyon
- 2025:
  - Two carrier brands to compete between London-Paris
  - Le Train launching high speed services in Western France

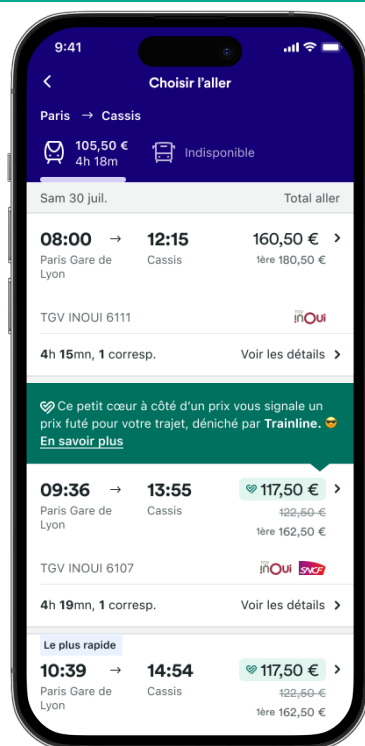




# Our approach predicated on maturity of market liberalisation

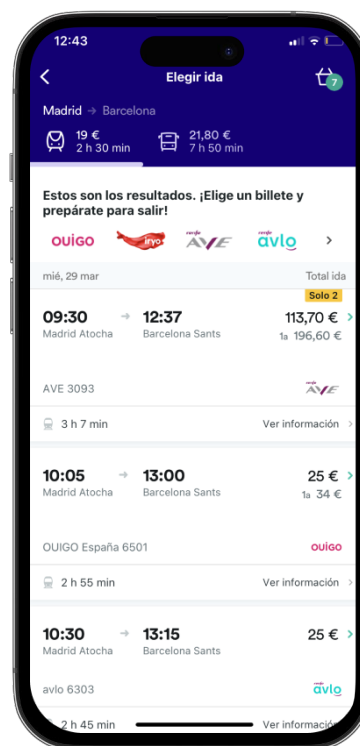
## Phase 1

Provide a great UX; all key journeys and prices



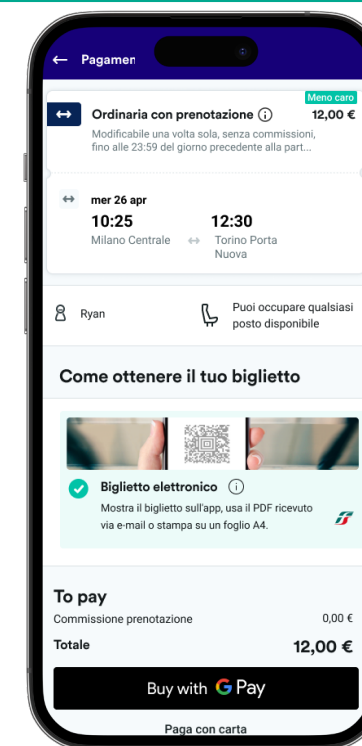
## Phase 2

Make aggregation the key differentiator



## Phase 3

Deepening customer relationships



# Strategic priorities for growth – International Consumer



**Enhance customer experience**

Great UX, differentiating through aggregation



**Build demand**

Focusing on markets where we have right to win today



**Increase customer lifetime value**

Deepening customer relationships



**Grow Trainline Solutions**

# Adding all new carrier routes as they come live

## Renfe cross border in France

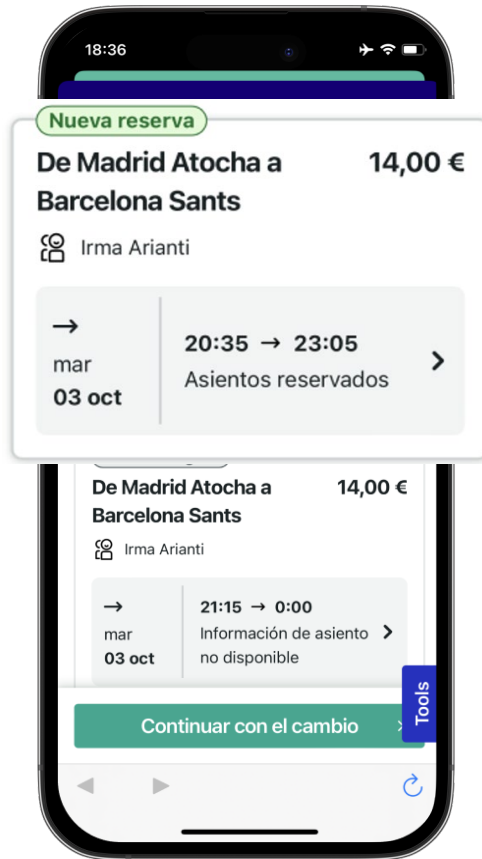


## Cercanias (regional) trains in Spain



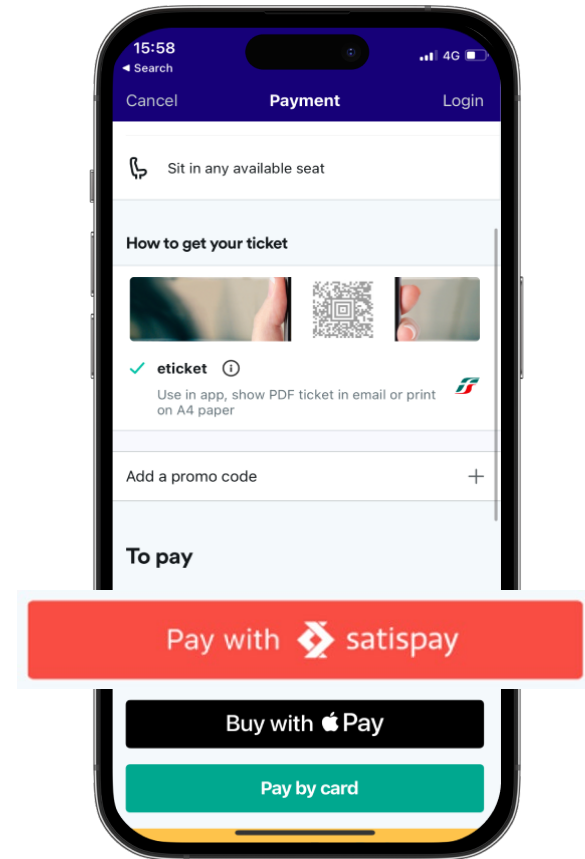
# Driving deeper localisation of our Mobile App

## Iryo exchange



Allowing customers to swap their train ticket

## Satispay



Providing customers with popular new payment options



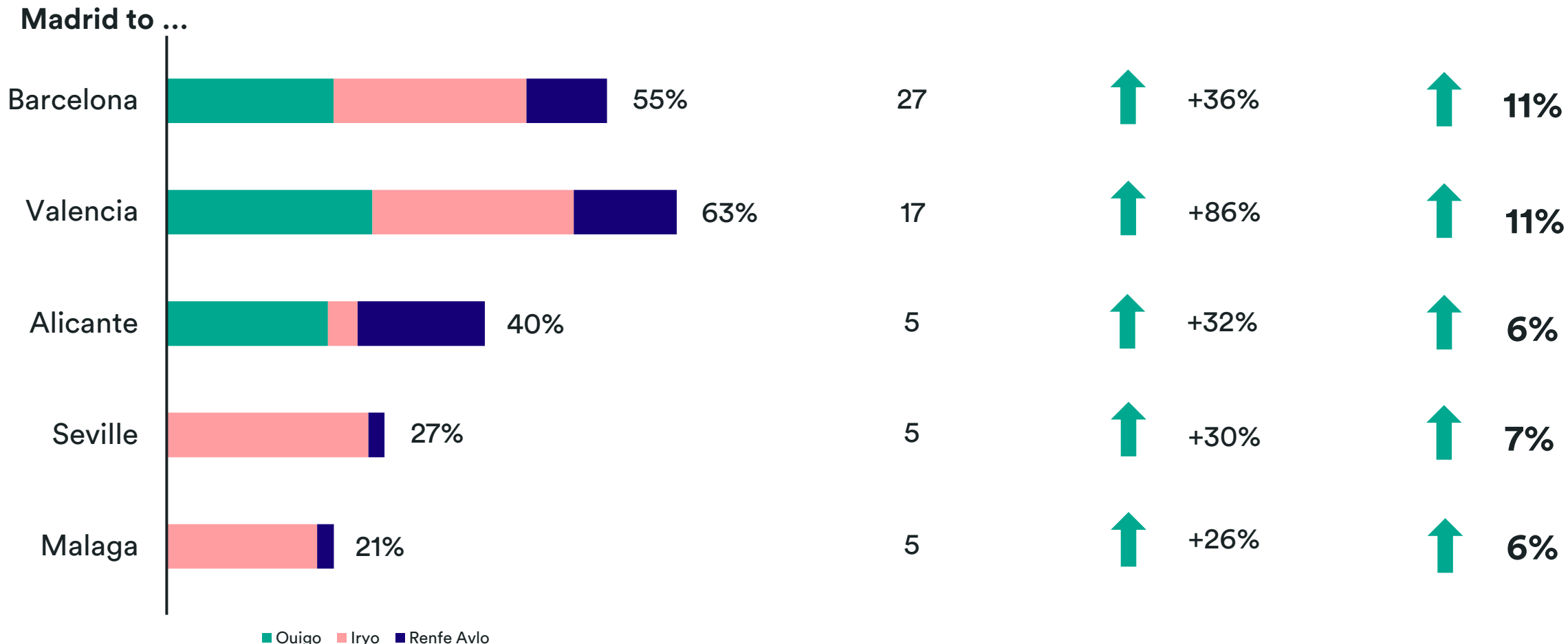
# Aggregation: reaching 11% share on top two high-speed routes in Spain

New Entrant percentage market share of high speed routes<sup>1</sup>

No. of months since route liberalised<sup>1</sup>

Passenger growth (YoY change)<sup>1</sup>

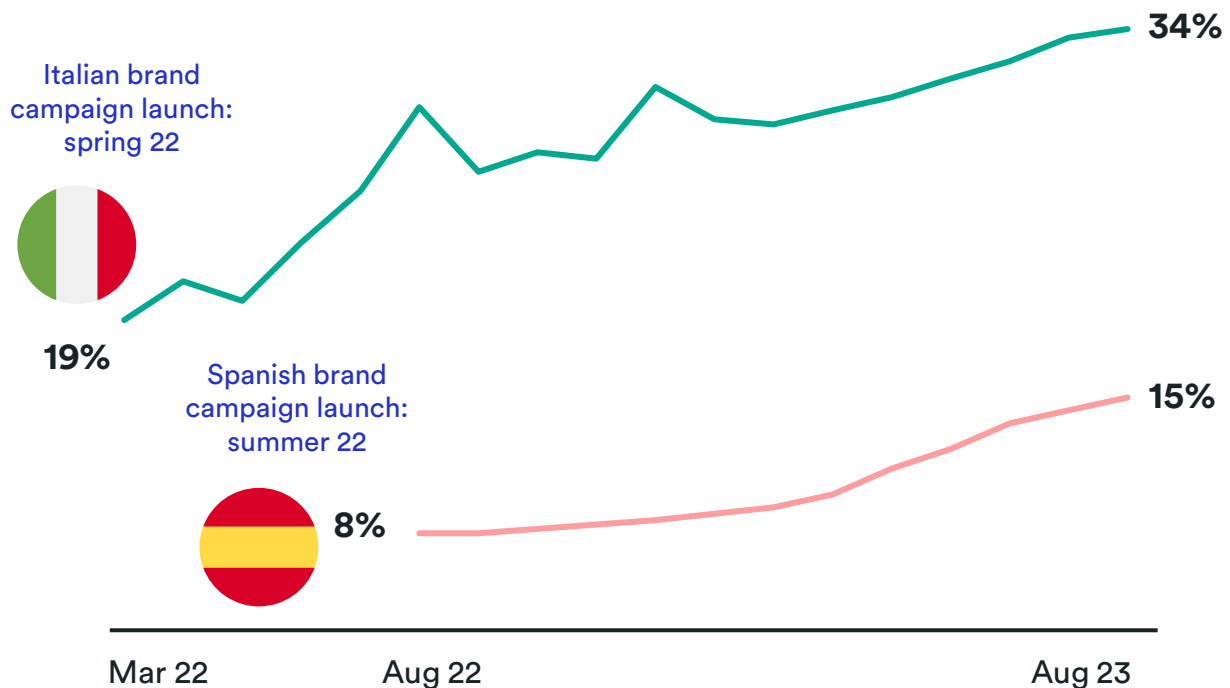
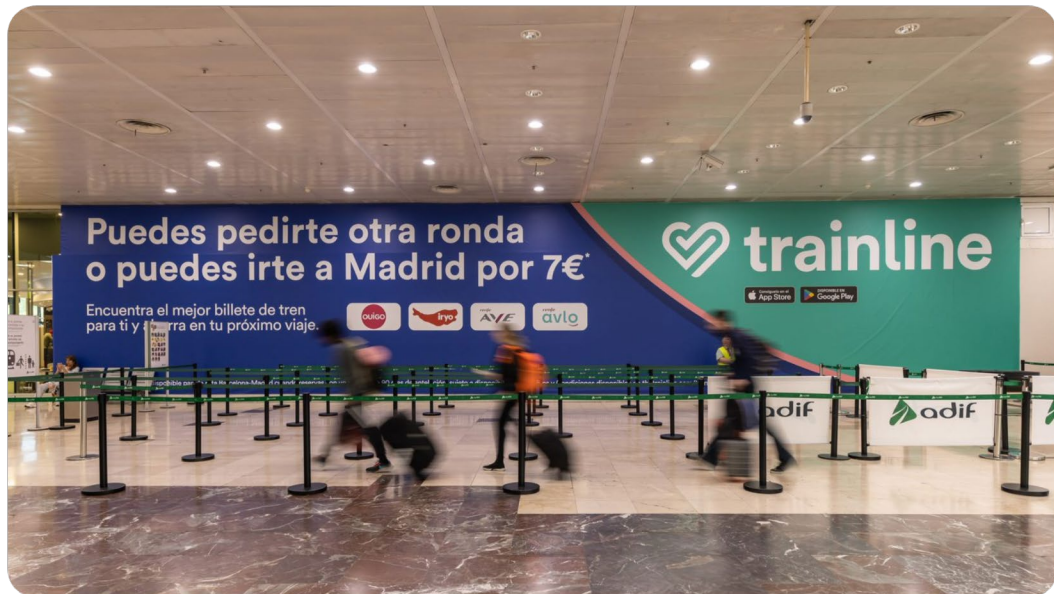
Trainline share



1. Up to Q2 CY23, as per CNMC data

# Spain and Italy: brand awareness almost doubled in 12-18 months

## Growing prompted brand awareness





# Foreign travel: leveraging PR campaigns and unique occasions

trainline

London → Paris by train

travel in style with

**20% OFF\***

Standard Premier tickets

Book now

\*Selected one-way routes only. Terms apply.



Easily compare and book train and bus tickets between European cities on the Trainline app.

Paris

perfect your inner Parisian

marvel at a masterpiece

be home to home

So you can...

Payment

Pay with Apple Pay

Pay with Google Pay

Pay with Card

trainline

Trains from London to...

Did you know you can travel between London and Europe's top cities by train? Well, now you do.

Travel in style on super-sleek Eurostar trains to forget airport stress and arrive right in the city-center.

And, for a little luxury, book Standard Premier (First Class) tickets and enjoy complimentary food and wine, extra luggage space and bigger seats. You deserve it.

Book now

Under the ocean to..

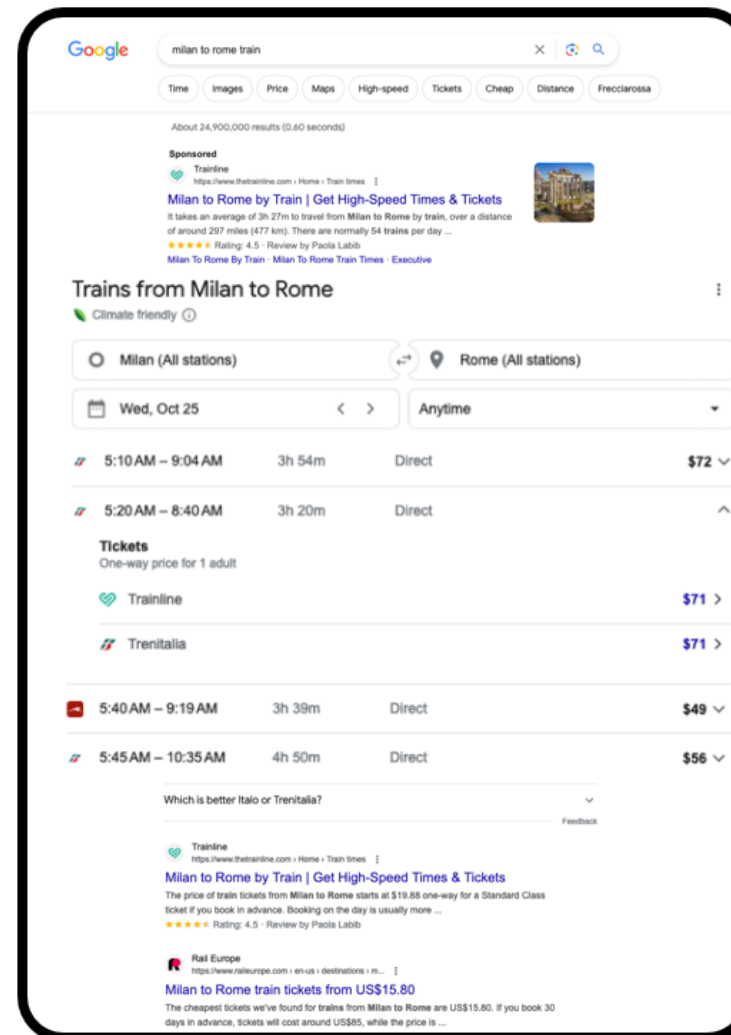
In just **2.5** hours!

Paris

Book now

# Responding to greater competition in Web sales

- Underlying demand normalising while keyword auctions have become more competitive
- Inclusion of trains within Google travel module:
  - Trainline integrated into module on key Spanish and Italian routes
  - Intend to scale to 1,000+ routes over coming months
- Strengthening product market fit, including future launch of rail passes
- Impact most pronounced in Foreign Travel given higher proportion of Web sales

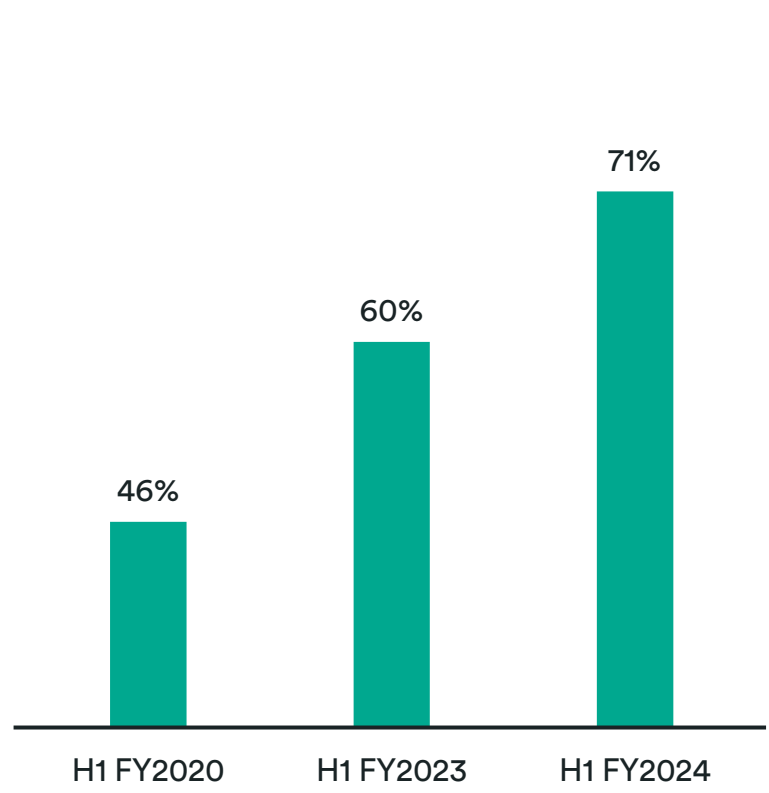


The screenshot shows a Google search for "milan to rome train". The search results include a sponsored ad for Trainline, which highlights "Milan to Rome by Train | Get High-Speed Times & Tickets" and provides details about travel time and distance. Below the ad, there is a section titled "Trains from Milan to Rome" with a search interface for origin (Milan), destination (Rome), and date (Wed, Oct 25). The results show several train options with their respective departure times, durations, and prices. For example, a 5:10 AM train costs \$72, and a 5:40 AM train costs \$49. There are also sections for "Tickets" from Trainline and Trenitalia, and a comparison question "Which is better Italo or Trenitalia?".

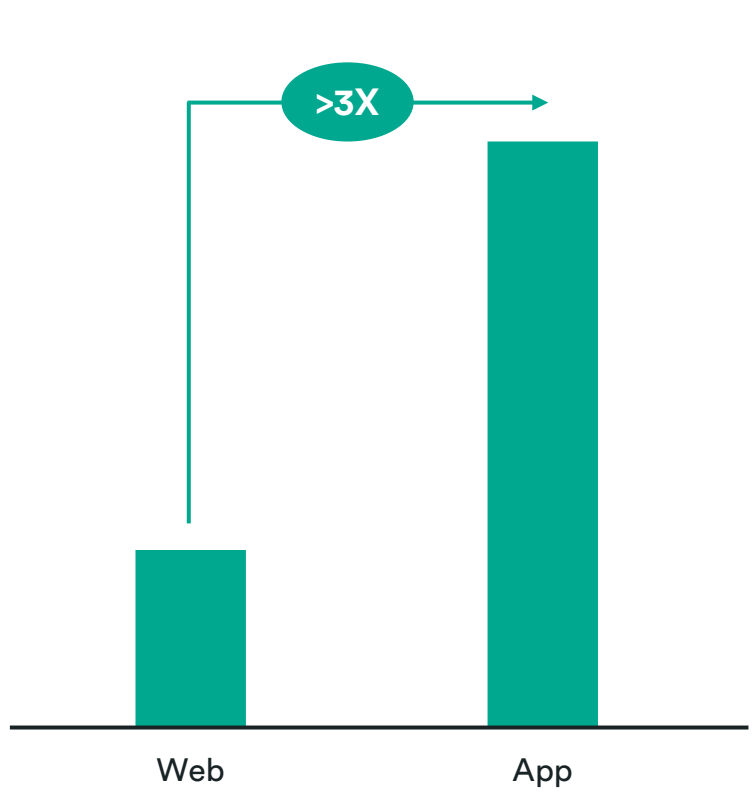
# Italy: encouraging app adoption to deepen customer relationship



App as % of overall transactions



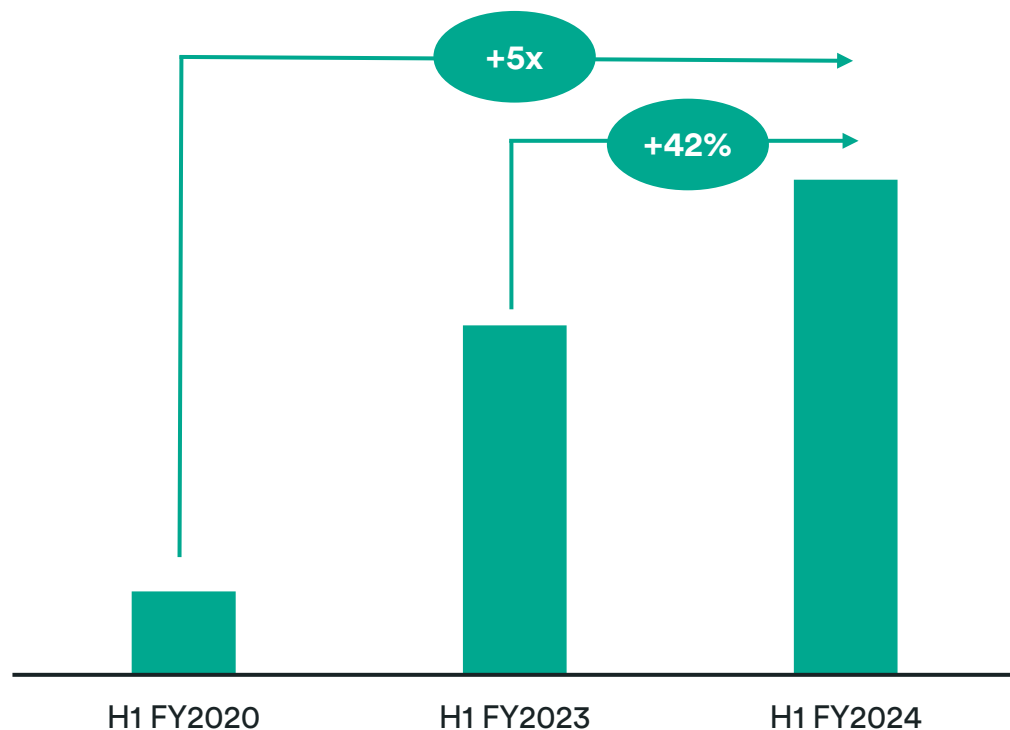
Mobile app customers transact more frequently than Web



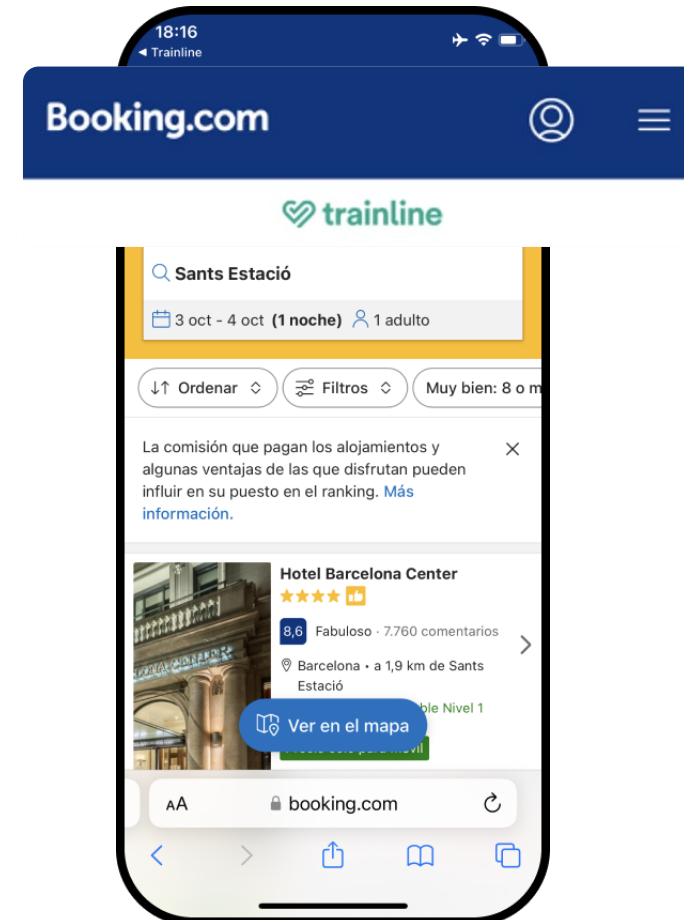
# Increasing regional travel and enhancing monetisation

## Continued growth in regional travel in Italy

Regional tickets sold



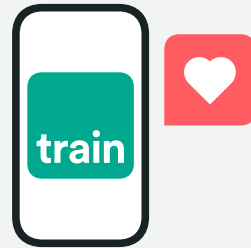
## Introducing hotels



# Strategic priorities for growth – Trainline Solutions



Enhance customer experience



Build demand



Increase customer lifetime value

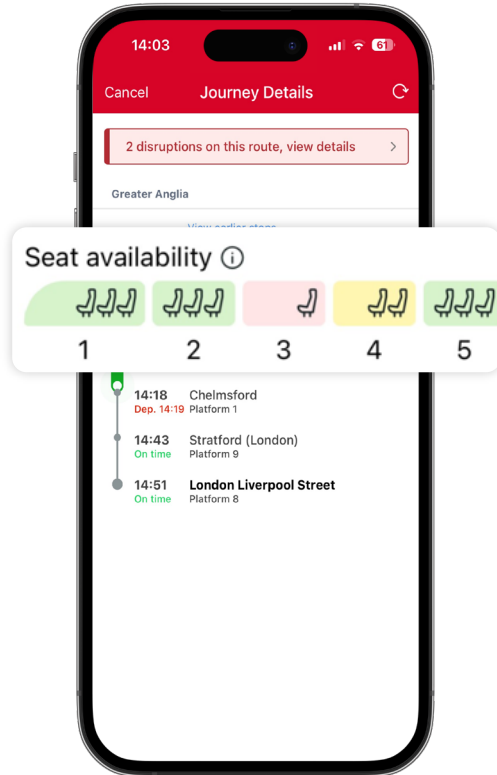


Grow Trainline Solutions

Leveraging platform strength to support travel partners

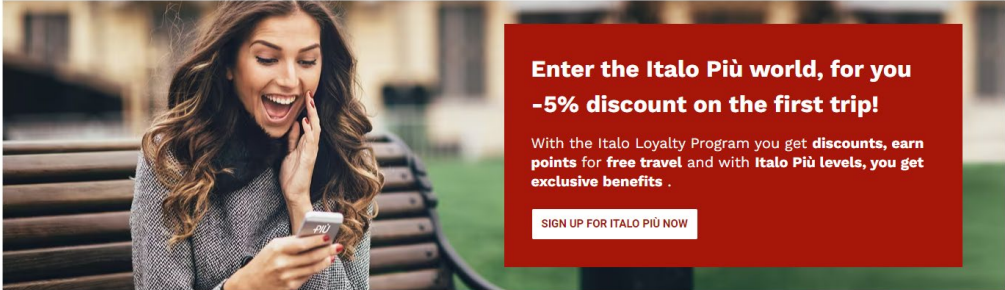
# Enhancing online retail offering for our carrier partners

## Train load information on Greater Anglia

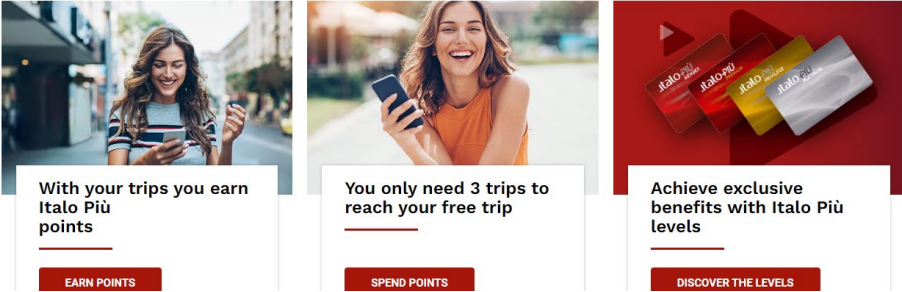


## Italo loyalty scheme features

Italo Più: the loyalty program dedicated to Italo customers



Italo Più: the loyalty program dedicated to Italo customers



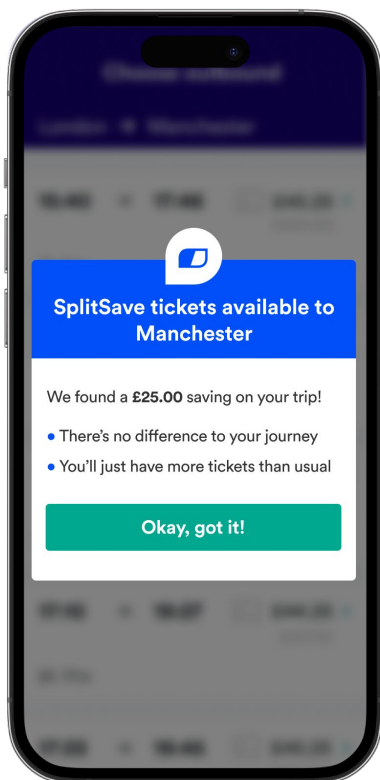
## Extended contracts with five of our white label carriers in H1<sup>1</sup>

1. Signed contract extensions with East Midlands Railways, West Midlands Trains, Greater Anglia, ScotRail and Arriva Cross Country

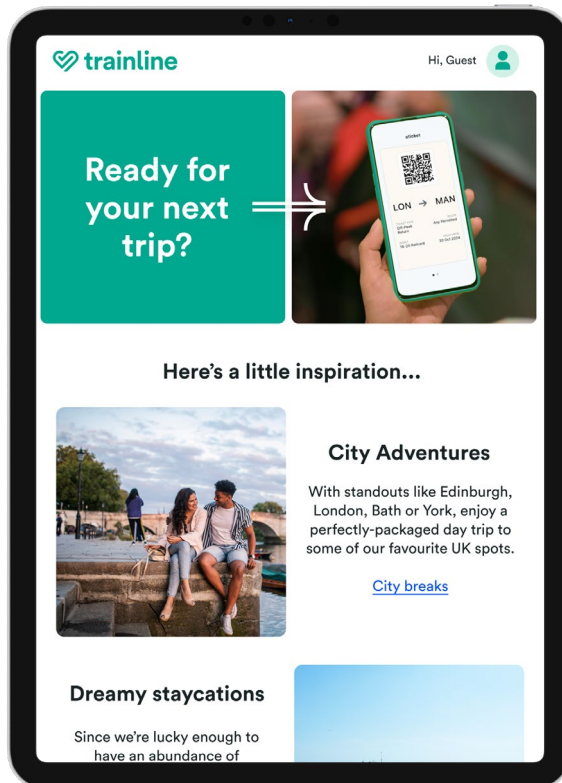
# Harnessing Machine Learning and Generative AI within Platform One

Using advanced ML to deliver data-driven features

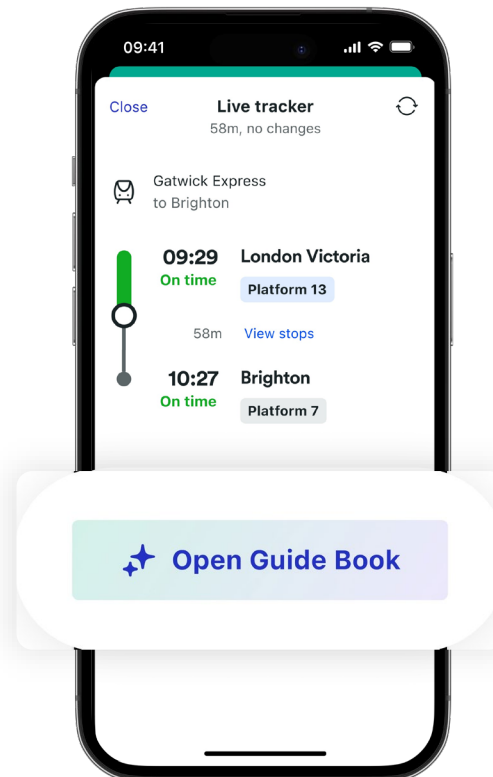
Set up AI Labs team to leverage Generative AI opportunity



SplitSave: mass market split ticketing feature



Recommended for you: personalised inspiration to encourage new trips



Guidebook: AI-generated recommendations for each destination

## Key takeaways

- Strong growth in H1, driving up profitability and cash flow generation
- Tightened Group guidance range for remainder of year
- Digitising ticketing experience in UK, particularly commuters with segment share now 22%
- Aggregation driving growth in Europe, including 11% share on top Spanish routes
- Well placed to manage greater competition in Web sales in International Consumer
- Further cementing our position as Europe's #1 rail travel App



**Q&A**

**Thank you**

